

What is claimed is:

1. A method of evaluating potential sales and business opportunities relating to establishing tire sales at an automotive service center comprising:

collecting operational data from the service center, wherein the operational data comprises an average number of repair order requests, hours of operation, and identification of one or more carlines serviced;

calculating a maximum expected number of tires which may be sold for each carline per time period, wherein the maximum is equal to the average number of repair order requests multiplied by the number of days the service center is open per time period multiplied by four (4) tires multiplied by a tire tread index, wherein the tire tread index varies according to carline and represents a percentage of cars serviced by the service center which have tires in need of replacement;

determining a tire sales goal for the service center; and

calculating projected tire sales by adding an average retail tire price for tire associated with each carline to a charge for services involved in mounting and balancing a tire to generate a sum, multiplying the sum by the sales goal, scaling to the time period, and summing the tires sales for each carline to determine a total projected tire sales.

2. The method of claim 1, wherein the time period is one year.

3. The method of claim 1, wherein the operational data further includes a number of new, used and certified cars sold per year, charge for mount and balance, and employee pay rate per hour.

4. The method of claim 1, wherein the tire tread index is no greater than about 30%.

5. The method of claim 1, wherein the tire tread index is about 10% to about 15%.
6. The method of claim 1, further including calculating total savings, net profit, warranty costs, capital investment, return on investment, and total equipment costs.
7. The method of claim 1, where the existing service center is affiliated with a car dealership that sells new, used, and certified pre-owned cars.
8. The method of claim 1, further including the calculation of capital investment cost, wherein the capital investment cost is determined by adding together cost of purchasing tire installation equipment and inventory investment costs, wherein inventory investment costs is calculated by dividing the annual tires by the inventory turn goal and multiplying by an average wholesale tire price associated with a carline.
9. The method of claim 1, further including the calculation of inventory space requirements.
10. The method of claim 1, further including the calculation of cost of satisfying warranty claims wherein the cost is determined by multiplying a number of new annual car sales for the dealership by a warranty factor.
11. The method of claim 1, further including the calculation of a loyalty factor, wherein the loyalty factor is determined by dividing the annual tires sold by a loyalty variable.
12. A method of evaluating potential sales and business opportunities relating to establishing tire sales at an automotive service center affiliated with a car dealership, wherein the dealership sells new, used, and certified pre-owned cars, comprising:
  - collecting operational data from the service center, wherein the operational data comprises an average number of repair order requests, hours of operation, and identification of one or more carlines serviced;

calculating a maximum expected number of tires which may be sold for each carline per time period, wherein the maximum is equal to the average number of repair order requests multiplied by the number of days the service center is open per time period multiplied by four (4) tires multiplied by a tire tread index, wherein the tire tread index varies according to carline and represents a percentage of cars serviced by the service center which have tires in need of replacement;

determining a tire sales goal for the service center; and

calculating projected tire sales by adding an average retail tire price for tire associated with each carline to a charge for services involved in mounting and balancing a tire to generate a sum, multiplying the sum by the sales goal, scaling to the time period, and summing the tires sales for each carline to determine a total projected tire sales;

calculating savings associated with the tire sales, wherein a certified pre-owned savings is calculated by comparing a cost associated with outsourcing the replacement of certified pre-owned car tires with a cost associated with internally supplying new tires to the certified pre-owned cars; and

calculating the business opportunity by adding together the total projected tire sales and the certified pre-owned savings.

13. The method of claim 12, wherein the operational data further includes a number of new, used and certified cars sold per year, charge for mount and balance, and employee pay rate per hour.

14. The method of claim 12, wherein the tire tread index is about 10% to about 15%.

15. The method of claim 12, further including calculating total savings, net profit, warranty costs, capital investment, return on investment, and total equipment costs.

16. The method of claim 12, wherein the cost of internally supplying tires is calculated by multiplying the number of annual certified pre-owned cars sold by a pre-owned car service goal and adding in labor costs for replacing the tires, and wherein the cost of outsourcing the tire replacement is calculated with the average retail tire price.

17. The method of claim 12, further including the calculation of capital investment cost, wherein the capital investment cost is determined by adding together cost of purchasing tire installation equipment and inventory investment costs, wherein inventory investment costs is calculated by dividing the annual tires by the inventory turn goal and multiplying by an average wholesale tire price associated with a carline.

18. A method of calculating the return on investment associated with establishing a retail tire sales business, wherein the business sells tires to one or more carlines, comprising:

determining a sales goal measured in number of tires to be sold for a period of time;

calculating a tire sales figure for a time period by adding an average retail tire price and a charge for services involved in mounting and balancing a tire to generate a sum, and multiplying the sum by the sales goal;

calculating a service lane tire profit by adding together a total tire gross profit based on the sales goal and the average retail tire price and a cost associated with supplying labor at the tire service center;

calculating the total net profit by adding additional savings and subtracting additional expenses;

calculating the capital investment by adding together cost of purchasing tire installation equipment and inventory investment costs; and

calculating the return of investment by dividing the total net profit and expense savings by the capital investment.

19. The method of claim 18, further including calculating a monthly payback by dividing the return of investment by twelve (12).
20. The method of claim 18, further including calculating a reduction in number of visits to competitors by dividing the number of tires sold by a loyalty factor.
21. The method of claim 18, further including the calculation of inventory space requirements.
22. The method of claim 18, wherein an additional expense is a cost of satisfying warranty claims, wherein the cost is determined by multiplying a number of new annual car sales for the dealership by a warranty factor.
23. The method of claim 18, wherein an additional savings is a certified pre-owned savings, wherein savings are generated by comparing a cost associated with outsourcing tire replacement for a certified pre-owned car program with a cost associated with internally supplying new tires to certified pre-owned cars.
24. The method of claim 18, wherein the tire business is established at a car dealership that sells new, used, and certified pre-owned cars.
25. The method of claim 18, wherein the tire business is established at an automotive service center.